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UNCLAS SECTION 01 OF 03 ABIDJAN 001238

SIPDIS

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SENSITIVE

FOR H K.MOODY, AF/W E.PLUMB  
DOL FOR T.RASA, D.GARMS  
DEPARTMENT PASS TO USTR C. HAMILTON  
USAID FOR C. GARRETT, S. SWIFT  
EMBASSY ACCRA FOR B.SHUKIN, S.BROWN,AMB.BRIDGEWATER  
TREASURY FOR D. PETERS  
COMMERCE FOR M. RIVERO

E.O. 12958: N/A

TAGS: ECON EAGR PREL PGOV EAID ELAB EIND IV  
SUBJECT: SCENESETTER FOR HARKIN CODEL JANUARY 7-9 VISIT TO  
COTE D'IVOIRE

REF: ABIDJAN 1219

¶1. (SBU) Embassy Abidjan warmly welcomes your visit. Yours will be the first visit by a Congressional delegation to Cote d'Ivoire in many years. Senator Harkin and Representative Engle's roles in developing and implementing the international public/private accord (the "Harkin-Engle Protocol") is well-known here, and your visit will be an excellent opportunity to underscore the interest of the American people in seeing sustained progress in eliminating the worst forms of child labor in Cote d'Ivoire's cocoa sector. The USG is very positively viewed in Cote d'Ivoire; in a poll taken within the last 12 months, the U.S. was viewed favorably by 88 percent of Ivorians.

Political Situation

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¶2. (SBU) Cote d'Ivoire is beginning to emerge from a five-year crisis during which the country was divided in two, with government forces controlling the southern half of the country and rebel forces, known locally as the Forces Nouvelles, in control of the north. In March, 2007, the Ouagadougou Political Agreement (OPA) was signed by Cote d'Ivoire's two primary protagonists: President Gbagbo and now-Prime Minister Soro. Reportedly the result of direct negotiations between the government and the rebels, the OPA was facilitated by President Blaise Compaore of Burkina Faso, who continues to play an active role in overseeing its implementation. The OPA is a viable roadmap for the country's emergence from the political crisis. From March until November, the pace of implementation was quite disappointing and the international community conveyed to the government its desire for swifter progress. Over the last month, substantial progress had been made and there is now much greater optimism. The President and the Prime Minister have committed to holding presidential elections in 2008 and to implementing as rapidly as possible provisions in the Ouagadougou Political Agreement regarding disarmament and reintegration of the rebel forces. Dismantling militias that sprung up in western Cote d'Ivoire will also be necessary.

¶3. (SBU) The question of nationality (or "Ivoirite") is at the heart of the political stalemate. A substantial number of individuals (estimates range from 300,000 to 3 million) are currently undocumented as Ivorians and are thus unable to participate fully in Ivorian society where the possession of a national ID card governs a broad swath of activities,

including eligibility to vote and to own land for agricultural cultivation. A majority of those who are undocumented have family ties to Burkina Faso and were initially welcomed into the northern region of Cote d'Ivoire as much-needed laborers in the cocoa sector. While Cote d'Ivoire's founding father and first president Houphouet-Boigny took a very liberal approach to integrating this group into Ivorian society, his successors actively promoted a more restrictive approach, including changes to the constitution that emphasized the national divisions between north and south and between Christian and Muslim.

**¶4.** (SBU) A coup attempt in 2002 quickly evolved into an armed rebellion that split the country in two. The identity question was reportedly one of the major grievances of the rebelling parties. Definitive reunification of the country and the restoration of government authority throughout the national territory will be difficult to achieve unless the issue of nationality is dealt with in a manner acceptable to both sides. Efforts underway to address this issue include the holding of "audiences foraines" or public tribunals designed to document individuals whose birth in Cote d'Ivoire was never registered. In recent weeks, the pace of the work done by the audiences foraines has picked up, but the total of persons processed remains below 100,000. The political stakes in the identification process are quite high, as the registration of a substantial number of new voters, particularly in the north, could alter the demographics for the next presidential election.

#### Status of Bilateral Aid

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**¶5.** (SBU) Cote d'Ivoire has been under Section 508 sanctions since the December 1999 coup that removed Henri Bedie from

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power. Sanctions were not lifted following the 2000 election due to government interference in the election with the intent of manipulating the results. Cote d'Ivoire was suspended from AGOA benefits on January 1, 2005, due to an Ivorian government decision to violate the UN-monitored cease-fire in November 2004 and lack of progress on key economic reforms. A credible election and substantial progress in meeting IMF/World Bank transparency goals would pave the way for a resumption of aid. In the interim, a very small bilateral assistance program focused on electoral preparation (involving NDI and IFES) is directed from USAID's West African Regional Program based in Accra.

#### Child Labor Situation

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**¶6.** (SBU) Prompted in large measure by the Harkin-Engel Protocol, the government of Cote d'Ivoire, working with international industry, bilateral development agencies and international NGOs, has implemented a variety of programs and conducted a number of surveys addressing the worst forms of child labor. Several diagnostic studies have been completed, the most recent a preliminary study conducted by the Prime Minister's inter-ministerial taskforce (supported by the international industry) published November 30. It found that 22 percent of children in the sample region were involved in cocoa production, and a majority of them were involved in one of the worst forms of child labor, carrying heavy loads. The report demonstrates that the cocoa-growing sector is composed of hundreds of thousands of relatively small, family-owned and operated farms, many if not most of which are operated by people from the northern part of Cote d'Ivoire, Burkina Faso, Mali and elsewhere who have settled and formed communities in the southern cocoa-growing belt. The survey shows that the great majority of children involved in farm labor are members (either immediate or extended) of the cocoa producer's family. This pilot survey will be scaled up and conducted throughout at least 50 percent of the country's cocoa-growing regions in the coming months.

**¶7.** (SBU) The government of Cote d'Ivoire has also adopted a

National Plan of Action Against Child Trafficking and Labor (drafted by the Ministry of Labor) that will run from September 2007 through December 2009. The plan's overall objectives are: to adopt laws specifically prohibiting these practices, to determine the scope of the problem, to take measures to prevent these practices, and to reintegrate victims into society. The plan relies substantially on the continued engagement of international actors.

**¶8.** (U) Over a dozen international organizations and NGOs have programs currently underway to combat and address the issue of child labor in the cocoa sector. Many are focused on sensitization and education of cocoa farmers and cocoa communities, while others concentrate their efforts on encouraging children of cocoa farmers to attend school. Some efforts attack the problem of child labor in cocoa by giving farmers practical agronomy lessons which incorporate robust modules explaining the hazards associated with WFCL, and yet others combat the problems affecting cocoa farm families by conducting adult literacy campaigns, again with elements that discourage WFCL.

**¶9.** (U) A preliminary study of efforts to monitor and eliminate WFCL, carried out by contractors engaged by Tulane University's Payson Center under a grant from the DOL provided an initial review of the multiple efforts to assess and end WFCL.

**¶10.** (U) The cocoa and cotton sectors taken together support some 9 million people in Cote d'Ivoire, nearly half the population. Cotton output has dropped by more than 50 percent since 2000. Cocoa output has remained essentially stable, hovering at the 1 million ton mark since 2000, with a slight dip to 950,000 in the 2002-03 harvest. International industry and Ivorian shipping companies estimate that up to 200,000 tons of cocoa per year have been trans-shipped through Ghana and Togo to evade artificially low prices since 2000, but those numbers appear to have come down since 2006.

#### Economic Context

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**¶11.** (SBU) Cote d'Ivoire's political crisis has had a predictably negative effect on many parts of the economy. Economic activity in general remains sluggish and per capita income has slumped. Overall GDP grew by 1.8 percent in 2006, a slight recovery over 2005; growth in 2007 is projected to be 2 percent. This growth can be attributed primarily to higher export earning from oil and refined products (now \$1.3 billion annually, reasonably steady cocoa revenues (\$1 billion) and proceeds from an expanding telecommunications sector. However, the majority of the population is not better off. Per capita income declined by 0.6 percent in 2005 and 0.7 percent in 2006; a 0.2 percent drop is predicted for 2007. Economic activity in the north of the country remains well below pre-crisis levels. Inflation has not been an issue until recently; the average consumer price rise was about on-half a percent from 2004-2006. Rising oil prices have increased transportation costs and the exchange rate has accelerated in recent months in line with the Euro's appreciation vis-a-vis the dollar.

**¶12.** (U) The hardships brought on by the division of the country triggered a substantial movement of people from north to south; several hundred thousand people have been internally displaced since 2002. Cote d'Ivoire's cocoa growing region has been particularly affected by these population movements. There has also been a significant increase in poverty. According to World Bank estimates, the poverty level has increased 5 percent, from 38.2 percent in 2002 at the onset of the crisis to 43.2 percent in 2006. Modest improvements in economic activity have been noted since the signature of the OPA, and civil servants are beginning to return but huge challenges loom ahead.

¶13. (SBU) A bright spot in the U.S.-Cote d'Ivoire relationship has been our PEPFAR program. Cote d'Ivoire is one of 15 focus countries that receives funds for HIV/AIDS prevention, education, and treatment; the USG is by far the largest supporter of HIV/AIDS activities in Cote d'Ivoire and of the health sector in general. In 2007, the PEPFAR program received \$85 million; we expect an increase to about \$120 million in FY 08. Ensuring the proper use of these funds is a central focus of our PEPFAR team. We have made remarkable strides in terms of expanding treatment and are working to improve joint efforts with the government of Cote d' Ivoire to tackle ongoing issues with stigma and HIV/AIDS education/prevention activities. We would gladly arrange a visit to a PEPFAR project should this interest you.

¶14. (U) Once again, we look forward to your visit.  
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